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SUBJECT: DR: 2010 Investment Climate Statement

OVERVIEW OF FOREIGN INVESTMENT CLIMATE

¶1. While the Dominican government welcomes foreign investment, significant systemic problems can make investing in the country a risky undertaking. Foreign investors cite a lack of clear, standardized rules by which to compete and a lack of enforcement of existing rules. Complaints have included corruption, requests for bribes, delays in government payments, failure of the Dominican government or of Dominican private sector entities to honor contracts, disregard for Dominican court rulings, and non-standard procedures in Customs valuation of imported goods. In 2009, the Dominican Republic rose from 102 to 99 among the 180 countries included in the Corruption Perceptions Index published by the international non-governmental organization Transparency International. The Heritage Foundation's Economic Freedom Index considers it "mostly unfree" in terms of global economic freedom, ranking it 88 out of 179 countries.

¶2. Under the Foreign Investment Law (No. 16-95), unlimited foreign investment is permitted in all sectors, with the exception of the disposal and storage of toxic, hazardous or radioactive waste not produced in the country; activities negatively impacting public health and the environment; and the production of materials and equipment directly linked to national security unless authorized by the President. There are no limits on foreign control of firms or screening of foreign investment in the open sectors. In practice, improvements in assisting foreign investors wanting to invest in the Dominican Republic have been made, especially by the Center for Exports and Investment in the Dominican Republic (CEI-RD). A partial privatization of state-owned enterprises (SOEs) carried out in the late 1990s resulted in foreign investors purchasing shares and obtaining management control of formerly SOEs engaged in activities such as electricity generation, airport management and milling sugarcane.

¶3. In 2008, foreign direct investment flows into the Dominican Republic totaled USD 2.885 billion according to the Central Bank of the Dominican Republic.

¶4. Recent worldwide index rankings for the Dominican Republic include:

2009 TI Corruption: 99/180

2009 Heritage Economic Freedom: 88/179

2010 World Bank Doing Business: 86/183

FY 09 MCC Government Effectiveness: -.08 (median 0.00)

FY 09 MCC Rule of Law: -.08 (median 0.00)

FY 09 MCC Control of Corruption: -.2 (median 0.00)

FY 09 MCC Fiscal Policy: -2.4 (median -.6)

FY 09 MCC Trade Policy: 73.0 (median 75.6)

FY 09 MCC Regulatory Quality: 0.00 (median 0.00)

FY 09 MCC Business Start Up: .965 (median .962)

FY 09 MCC Land Rights and Access: .703 (median .729)

FY 09 MCC Natural Resource Management: 88.38 (median 84.41)

CONVERSION AND TRANSFER POLICIES

¶5. The Dominican exchange system is a market with free convertibility of the peso. The economic agents perform their transactions of foreign currencies under the conditions freely negotiated by them.

¶6. The Central Bank uses an average of the exchange rates reported by the foreign exchange market and financial intermediaries to set the rate for its own operations. Importers may obtain foreign currency directly from commercial banks and exchange agents.

¶7. The Central Bank participates in this market in pursuit of monetary policy objectives, buying or selling currencies and performing any other operation in the market. Some industries, particularly those operating in free trade zones (zonas francas), complain that the Dominican authorities carry out operations through the Central Bank and the government-owned Banco de Reservas that result in an overvalued peso, penalizing export sectors and the tourism sector.

¶8. Resolutions 64-06 and 106-06, issued by the Dominican Civil Aviation Board, require all airlines serving the Dominican market to pay nearly all local taxes in U.S. dollars as opposed to local currency for both entry and exit of each passenger. Some airlines have considered challenging this requirement in the courts, but the fines for failure to comply are punitive and compel the airlines to comply until the courts decide otherwise.

EXPROPRIATION AND COMPENSATION

¶9. There are approximately 20 outstanding disputes with the Dominican government concerning unpaid government contracts or expropriated property and businesses. Property claims make up the majority of expropriation cases. Most but not all confiscations have been used for purposes of infrastructure or commercial development. In some cases, claims have remained unresolved for many years. Investors and lenders have typically not received prompt or adequate payment for their losses and payment has been difficult to obtain even in cases in which a Dominican court has ordered compensation or the government has recognized a claim. In one case, the Dominican Supreme Court in 1970 ordered the government to compensate a U.S. family whose land and businesses had been expropriated. The Dominican government compensated owners only for the expropriated land but to date has not offered compensation for the businesses. In other cases, lengthy delays in compensation payments have been blamed on errors committed by

government-contracted property assessors, slow processes to correct land title errors, and other technical procedures.

¶10. The past four Dominican administrations have expropriated fewer properties than their predecessors and have generally paid compensation in those cases. Discussions of the U.S.-Dominican Trade and Investment Council meetings in October 2002 prompted the Dominican government to establish procedures under a 1999 law to issue bonds to settle claims against the Dominican government dating from before August 16, 1996, including claims for expropriated property.

¶11. In 2005, with assistance from the U.S. Agency for International Development (USAID), the Dominican government identified and analyzed 248 expropriation cases; most (65.5 percent) were resolved by paying claimants with bonds or by dismissing the claim. However, as noted above, a number of U.S. claims against the Dominican Republic remain.

DISPUTE SETTLEMENT

¶12. On October 23, 2007, Decree No. 610-07 placed DICOEX - the Directorate of Foreign Commerce of the Secretariat of State for Industry and Commerce - in charge of commercial dispute settlement, including disputes related to the Investment Chapter of CAFTA-DR. Currently, quite a few U.S. investors, ranging from large firms to private individuals, have disputes with the Dominican government and parastatal firms involving payments, expropriations, or contractual obligations. Both free trade zone companies and non-free-trade-zone companies have problems with dispute resolution. U.S. firms indicate that corruption on all levels - business, government, and judicial - in the Dominican Republic impedes their access to justice so as to defend their interests.

¶13. In April 2002, the Dominican Republic associated itself with the International Center for the Settlement of Investment Disputes ("ICSID," also known as the "Washington Convention"). In August of the same year the country implemented the New York Convention on Recognition and Enforcement of Foreign Arbitral Awards (the "New York Convention"). The New York Convention provides courts a mechanism with which to enforce international arbitral awards.

PERFORMANCE REQUIREMENTS/INCENTIVES

¶14. Foreign investors receive no special investment incentives and no other types of favored treatment, except in the area of renewable energy (see below). There are no requirements for investors to export a defined percentage of their production. A law is currently pending in the Dominican Congress to eliminate the requirement that free trade zones export at least 80 percent of their output.

¶15. Foreign companies are unrestricted in their access to foreign exchange. There are no requirements that foreign equity be reduced over time or that technology be transferred according to defined terms. The government imposes no conditions on foreign investors concerning location, local ownership, local content, or export requirements.

¶16. The Dominican labor code establishes that 80 percent of the labor force of a foreign or national company, including free trade zone companies, be composed of Dominican nationals (although the management or administrative staff of a foreign company is exempt from this regulation). The Foreign Investment Law (No. 16-95) provides that contracts licensing patents or trademarks, leases of machinery and equipment, and contracts for provision of technical know-how must be registered with the Directorate of Foreign Investment of the Central Bank.

¶17. The Renewable Energy Incentives Law (No. 57-07), which entered into force in June 2008, provides an array of incentives to business developing renewable energy technologies. This law was passed as part of the Dominican government's efforts to invigorate the local production of renewable energy as well as renewable energy manufactured products. The incentives include a 100 percent exemption from taxation on imported inputs (equipment and materials) and a 10-year exemption from all taxation on profits up to, but not beyond, the year 2020.

RIGHT TO PRIVATE OWNERSHIP AND ESTABLISHMENT

¶18. The Dominican Constitution guarantees the freedom to own private property and to establish businesses. The Foreign Investment Law (No. 16-95) provides foreign investors the same rights to own property as are guaranteed by the Constitution to Dominican investors. Public enterprises are not given preference over private enterprises. An area of concern, however, is the legitimacy of property titles. In 2006, the Inter-American Development Bank approved a USD 10 million loan to help the Dominican Supreme Court modernize its property title registration process.

PROTECTION OF PROPERTY RIGHTS

¶19. The Dominican Republic has laws with sanctions adequate to protect copyrights and has improved the regulatory framework for patent and trademark protection, but United States industry representatives continue to cite a lack of enforcement of intellectual property rights (IPR) as a major concern. The government committed in a side letter to CAFTA-DR to take measures to halt television broadcast piracy and agreed to report on its efforts in this regard in a quarterly report to the Office of the U.S. Trade Representative (USTR). The Dominican authorities have delivered these quarterly reports since January 2005. The Embassy has noted improved coordination in this regard among various government agencies including the Secretariat of Industry and Commerce, the Attorney General's Office, the Patent Office and the Copyright Office. In 2005, the authorities advised cable television operators of their legal responsibilities regarding copyright and secured a formal agreement with the operators' association in August 2005. Since that time authorities have seized equipment from various operators found to be infringing the laws. The authorities temporarily closed down several broadcasters found to be violating the law.

¶20. To fulfill CAFTA-DR requirements, the Dominican Congress passed legislation in November 2006 to strengthen the IPR protection regime by criminalizing end-user piracy and requiring authorities to seize, forfeit, and destroy counterfeit and pirated goods as well as the equipment used to produce them. CAFTA-DR mandates both statutory and actual damages for copyright and trademark infringement, and requires measures to help ensure that monetary damages can be awarded even when it is difficult to assign a monetary value to the infringement.

TRANSPARENCY OF THE REGULATORY SYSTEM

¶21. In recent years the Dominican government has carried out a major reform effort aimed at improving the transparency and effectiveness of laws affecting competition. Nonetheless, efforts to establish the rule of law in many sectors of the economy have been impeded or in some cases soundly defeated by special interests. For example, in 2008, the Government refused to enforce a court ruling to halt an illegal blockade of a U.S. business by disgruntled ex-contractors. Many investors, both Dominican and foreign, consider that influence through political contacts will predominate over formal systems of regulation.

¶22. On December 3, 2002, the Financial and Monetary Law (No. 183-02) created a new regulatory regime for the monetary and financial system. One of its provisions allowed for foreign ownership of national financial institutions. The agreement negotiated with the International Monetary Fund (IMF) in 2003 and 2004 required additional regulation and improved supervision of the banking sector, and authorities have required banks to improve capital ratios in order to meet international standards.

¶23. On December 4, 2007, the Competitiveness and Industrial Innovation Law (No. 392-07) established a framework to promote the development of the manufacturing sector by streamlining the customs regime for qualifying companies. Many of these benefits had previously only been enjoyed by companies within the free trade zones. The legislation also changed the former Industrial Promotion Corporation (CFI) into the new Center for Industrial Development and Competitiveness (Proindustria).

EFFICIENT CAPITAL MARKETS AND PORTFOLIO INVESTMENT

¶24. During a period of strong GDP growth and largely successful economic reform in the 1990s, Dominican authorities failed to detect years of large-scale fraud and mismanagement at the privately-owned Banco Intercontinental (Baninter), the country's third largest bank. The failure of Baninter and two other banks in 2003 cost the government in excess of USD 3 billion, severely destabilized the country's finances and shook business confidence. The failures and their consequences brought about a crisis of devaluation, inflation and economic hardship. Upon taking office in August 2004, Leonel Fernandez's administration formulated with the International Monetary Fund a comprehensive program aimed at

addressing the weaknesses in macroeconomic policies and in a wide range of structural areas. Business confidence gradually returned, but effects of the 2003-2004 economic crisis linger; however, those reforms enabled the Dominican banking sector to avoid severe difficulties during the international financial crisis of 2009.

¶25. In the wake of the global economic and financial crisis, the Executive Board of the IMF approved on November 9, 2009, a USD 1.7 billion Standby Agreement (SBA) with the Dominican Republic. The 28-month program seeks to assist the government in pursuing short-term counter-cyclical polices, strengthen medium-term sustainability, reduce vulnerabilities, and set the foundation for eventual recovery. The country had successfully implemented a USD 665 million SBA approved in 2005 that helped the DR recover from its 2003 banking crisis.

¶26. The Dominican securities market, the Bolsa de Valores de Santo Domingo, opened on December 12, 1991, and mostly handles offerings of commercial paper. In 2009, the Bolsa de Valores handled more than USD 768 million worth of transactions, with USD 116.5 million in the primary and USD 651.9 million in the secondary market. It is supervised by the Superintendency of Securities (SIV), which approves all public securities offerings.

¶27. The private sector has access to a variety of credit instruments. Foreign investors are able to obtain credit on the local market but tend to prefer less expensive offshore sources. The Central Bank regularly issues certificates of deposit, using an auction process to determine interest rates and maturities.

COMPETITION FROM STATE-OWNED ENTERPRISES (SOEs)

¶28. SOEs in general do not have a significant presence in the economy, with most functions performed by privately-held firms. One notable exception is in the energy sector, where private companies only operate in the electrical generation phase of the process, with the government handling the transmission and distribution. Distribution had been previously privatized, but, due to the serious problems in that sector (including lack of payment), the government once again took over the distribution function.

CORPORATE SOCIAL RESPONSIBILITY

¶29. Although in general there is not an entrenched culture of corporate social responsibility (CSR) on the part of local firms, large foreign companies do normally have an active CSR program, as do a number of the larger local business groups. The majority of local firms do not follow OECD principles regarding CSR, but the firms that do are viewed favorably (especially when their CSR programs are effectively publicized).

POLITICAL VIOLENCE

¶30. There have been occasional spontaneous outbreaks of protest in some of the poorer areas of the Dominican Republic over spiraling electricity costs, rising gas and food prices, corruption, and lengthy rolling blackouts throughout the country. Occasional labor protests have been peaceful, but security forces routinely have used excessive force to disperse protesters.

CORRUPTION

¶31. The Dominican Republic has a legal framework that includes laws, regulations and penalties that ought to permit the effective

combating of corruption. However, corruption remains an endemic problem in the security forces, civilian government and in the private sector. Corruption and the need for reform efforts are openly and widely discussed - a 2008 Gallup poll found 82 percent of Dominicans think the country is corrupt or very corrupt, but the incidence of people reporting requests for bribes by officials is about average for countries of the Latin America region. A respected Dominican non-governmental organization supported by USAID-sponsored research in 2004 established that, during the previous 20 years, only one sitting government official had been

convicted of corruption. That individual was released after serving only six months of the sentence. This study is being updated and will include information on the economic costs of corruption. The Prosecutor General's office reports that, of 78 denunciations of corruption it received between January 2008 and August 2009, eleven (or 14 percent) reached trial during 2008-2009. The prosecution service noted that the low figure was because most complaints were "not well founded, sometimes only concern public rumor and do not have sufficient probative elements." The judiciary has dealt administratively with judges deemed corrupt, but no known prosecutions of corrupt judges have taken place.

¶32. Although in July 2008 the Supreme Court upheld convictions related to the fraud-based 2003 collapse of the "Baninter" bank, President Fernandez pardoned, in December 2008, a convicted former Baninter vice president as well as four persons convicted in the 2004-2005 RENOVE case involving fraud in the handling of government subsidies for the purchase of public buses. Most members of the Pardons Commission resigned in protest against the pardons. In December 2009, the President pardoned another individual convicted in the RENOVE case.

¶33. As noted, lack of enforcement is the primary problem. No data are available to assess whether corruption disproportionately affects foreign firms, but probably more Dominicans than Americans must deal with it. At the same time, corruption is widely recognized as a form of protectionism, inasmuch as it can give an "insider" an undue advantage over outsiders (either foreign or domestic). Over 25 percent of Dominicans consider corruption to be an impediment to development, according to the 2008 Gallup poll.

¶34. The Dominican Congress ratified the UN Convention against Corruption on October 26, 2006. The UN Convention has a broader scope on corruption than do other agreements; it includes provisions regarding money laundering, obstruction of justice, private sector corruption, and asset recovery. As for regional initiatives, the Dominican Republic has signed the Inter-American Convention against Corruption (IACAC), but there was no reported progress in implementing the recommendations produced by the peer-review mechanism established under the IACAC. The Dominican Republic is not a party to the 1992 Inter-American Convention on Mutual Assistance in Criminal Matters.

¶35. The 2009 World Economic Forum's Global Competitiveness Index rated the Dominican Republic 133 out of 133 as regards "favoritism in the discharge of public duties," 127 out of 133 as regards "deviation of government funds," 132 of 133 regarding "squandering of public expenditures," and 130 of 133 in terms of levels of confidence in the police. An October 2009 survey by NGO watch-dog Participacion Ciudadana found that many key government institutions are not complying with the country's equivalent of a freedom-of-information law, while media reported that none of the country's 23 political parties comply with the law as regards their finances and expenditures.

¶36. Giving or accepting a bribe is a criminal act. Article 177 of the Criminal Code provides that: "An official or public employee from the administrative, municipal, or judicial sphere who, in exchange for a gift or promise, provides his office for the commission of an action that, while lawful, is not covered by his salary, shall be punished by the loss of his civil rights and a fine of twice the monetary value of the gift, reward, or promise; in no case, however, may the fine be less than fifty pesos or the custodial term set by Article 33 of this Code be shorter than six months, and the imposition of the prison term shall in all cases be obligatory. These same penalties shall apply to public employees, officials, and officers who, in exchange for gifts or promises,

fail to perform any due or legal act inherent to their positions. The same punishments shall apply to any arbiter or expert, appointed by either the court or the parties at trial, who accepts offers or promises, or receives gifts or other considerations, in exchange for giving a decision or opinion that favors one of the parties." Article 178 of the Criminal Code provides that: "If the exaction or bribery is associated with a criminal act punishable by penalties higher than those set out in the previous article, the harsher penalties shall invariably apply to the guilty." Article 181 of the Criminal Code provides that: "A judge in criminal proceedings who accepts a bribe and thereby favors or harms the accused shall be punished by prison with labor and by the fine established in Article 177." Article 2 of the Bribery in Commerce and Investments Law (No. 448-06) provides that: "Any public official or person performing public functions who requests or accepts, either directly or indirectly, any item of monetary value as a favor, promise, or benefit, for himself or for another, in exchange for performing or omitting to perform an action related to the exercise of his public functions in matters affecting domestic or international trade or investments shall be considered to have accepted a bribe and, as such, shall be punished by a term of prison with labor of between three and ten years and fined an amount equal to twice the benefits received, requested, or promised, said fine in no instance amounting to less than fifty times the minimum wage."

¶37. Both CAFTA-DR and the UNAC, ratified by the country, mandate that the country criminalize bribery (offer/request). Article 3 of the Bribery in Commerce and Investments Law (No. 448-06) provides that: "Any individual or corporate body that intentionally offers, promises, or provides, either directly or indirectly, a public official or person performing public functions in the Dominican Republic with any item of monetary value or other gain as a favor, promise, or benefit, for himself or for another person, in exchange for the commission or omission by that official of any action related to the performance of his public functions, in matters affecting domestic or international trade or investments, shall be considered to have given a domestic bribe."

¶38. Several government bodies have a role in fighting corruption, including the Prosecution Service's National Directorate to Prosecute Administrative Corruption, the legislative branch's Court of Accounts (a GAO-like entity), and the Central Bank. Another key institution is the National Ethics and Anti-Corruption Commission, established by President Fernandez in 2005. However, the Commission is little known and under-utilized by the general public.

¶39. Several NGOs work to combat corruption, especially through better transparency. These include: the Foundation for Institutionalization and Justice (FINJUS) and Participacion Ciudadana.

BILATERAL INVESTMENT AGREEMENTS

¶40. On September 6, 2005, the Dominican Congress ratified the Free Trade Agreement with the United States and five Central American countries (CAFTA-DR). Implementation occurred on March 1, 2007. The Dominican Republic has bilateral investment treaties with Chile, Ecuador, France, and Spain; bilateral trade agreements with several Central American countries (CARICOM); and a partial trade agreement with Panama. However, these do not provide the level of protection to investors generally offered by U.S. bilateral investment treaties. An agreement for the exchange of tax information between the United States and Dominican Republic has been in effect since 1989.

¶41. In 2007, the Dominican government started negotiating bilateral agreements with Canada and Mexico. The Dominican government also signed an Economic Partnership Agreement with the European Union as part of CARICOM in December 2007 that entered into force in 2008.

OPIC AND OTHER INVESTMENT INSURANCE PROGRAMS

¶42. The Overseas Private Investment Corporation has been active in the Dominican Republic with both insurance and loan programs and continues to support private enterprises working in the DR. The Dominican government is a party to the Multilateral Investment Guarantee Agency (MIGA) Agreement.

LABOR

¶43. The Dominican Constitution provides the right of workers to strike and the right of private sector employers to lock out workers. The Dominican Labor Code, which became law in June 1992, is a comprehensive piece of legislation that establishes policies and procedures for many aspects of employer-employee relationships, ranging from hours of work and overtime and vacation pay to severance pay, causes for termination, and union registration. The Labor Code requires that 80 percent of non-management workers of a company be Dominican nationals and the remaining percentage be composed of foreign nationals.

¶44. The Labor Code establishes a standard work period of 8 hours per day and 44 hours per week and stipulates that all workers are entitled to 36 hours of uninterrupted rest each week. The law provides for premium pay for overtime, which was mandatory at some firms in the free trade zones. An ample labor supply is available, although there is a scarcity of skilled workers and technical supervisors. Some labor shortages exist in professions requiring lengthy education or technical certification. Most employers have found the local work force competent, trainable, and cooperative. Foreign employers are not singled out when labor complaints are made. Organized labor represented an estimated 8 percent of the work force. The Labor Code specifies that 20 or more workers in a company may form a union. Before a union may officially call a strike, however, it must have the support of an absolute majority of all company workers, unionized or not; it must have previously attempted to resolve the conflict through mediation; it must have provided written notification to the Ministry of Labor of the intent to strike; and it must have waited 10 days from that notification before striking. In part due to these stringent requirements, brief work stoppages are more common than lengthy strikes.

¶45. Collective bargaining is legal and may take place in firms in which a union has gained the support of an absolute majority of the workers. Few companies have collective bargaining pacts. The Labor Code stipulates that workers cannot be dismissed because of trade union membership or union activities; however, in practice, it appears that some firms have fired workers associated with union activities. The law does not provide for the reinstatement of workers dismissed on account of their union activities. The Dominican labor code establishes a system of labor courts for dealing with disputes. While cases did make their way through the labor courts, the process was often long and cases remained pending for several years. Both workers and companies reported that mediation facilitated by the Secretariat of Labor was the most effective method for resolving worker-company disputes.

¶46. Many of the major manufacturers in the free trade zones have voluntary codes of conduct that include worker rights protection

clauses generally aligned with the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work. Workers are not always aware of such codes or the principles they contain.

FREE TRADE ZONES/FREE PORTS

¶47. The Dominican Republic's free trade zones (FTZs) are regulated by the Promotion of Free Zones Law (No. 8-90), which provides for 100 percent exemption from all taxes, duties, charges and fees affecting production and export activities in the zones. These incentives are for 20 years for zones located near the

Dominican-Haitian border and 15 years for those located throughout the rest of the country. This legislation is managed by the Free Trade Zone National Council (CNZFE), a joint private sector/government body with discretionary authority to extend the time limits on these incentives.

¶48. Foreign currency flows from the free trade zones are handled via the free foreign exchange market. Foreign and Dominican firms are afforded the same investment opportunities both by law and in practice. The CNZFE's Annual Statistical Report for 2008 noted a Free Zone Sector with a total of 48 free zone parks (down from 53 the previous year) and 525 operating companies (down from 526). Of those companies, over 47 percent are from the United States (including Puerto Rico). Other significant investment was made by companies registered in South Korea, Spain, and the Netherlands. In general, firms operating in the free trade zones experience fewer bureaucratic and legal problems than do firms operating outside the zones. In 2008, free zone exports totaled USD 4.54 billion, compared to USD 4.52 billion in 2007. The exports from the FTZs comprise 65 percent of all exports from the DR.

¶49. The FTZ sector experienced a loss of 2.7 percent of jobs in 2008 over 2007. The expiration of the Multi-Fiber Arrangement, the progressive increase in local production costs, including electricity, transportation and even customs costs, and an overvalued currency are some of the major factors affecting the free zone companies' profitability. Exporters/investors seeking further information from the CNZFE may contact:

Consejo Nacional de Zonas Francas

Leopoldo Navarro No. 61

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FOREIGN DIRECT INVESTMENT STATISTICS

¶50. Foreign direct investment (FDI) in the last few years has been largely concentrated in trade, tourism, telecommunications, real estate development, and electricity. The Dominican government has made a concerted effort to attract new investment, taking advantage of the new foreign investment law and of the country's natural and human resources. The decision in the late 1990s to privatize or

"capitalize" ailing state enterprises (electricity, airport management, and sugar) attracted substantial foreign capital to these sectors.

2008 FDI data

Source: Preliminary data from the Central Bank of the Dominican Republic

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FDI Stocks: USD 11,154.8 million

FDI Stock /GDP: 6.3 percent

FDI Net Flows: USD 2,884.7 million

*Information provided by the Central Bank of the Dominican Republic. Basis year has been revised from 1946 (used in the last ICS report) to 2006 (used in this current report).

2008 FDI flows by Source Country (in millions of U.S. dollars)

Source: Preliminary data from the Central Bank of the Dominican Republic

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United Kingdom: 600.7

Mexico: 559.6

Canada: 587.1

United States: 497.4

Spain: 190.0

Chile: 53.7

Switzerland: 43.5

Italy: 4.8

France: -2.3

Holland: -16.9

Grand Cayman: -48.2

Others: 415.3

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Total: 2,884.7

2008 FDI flows by Sector (in millions of U.S. dollars)

Source: Preliminary data from the Central Bank of the Dominican Republic

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Trade: 703.6

Real Estate: 656.0

Transportation: 350

Mining: 299.6

Telecommunications: 283.1

Finance: 237.3

Tourism: 236.9

Free Trade Zones: 66.5

Electricity: 51.7

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Total: 2,884
Lambert